

Government of Canada Securities

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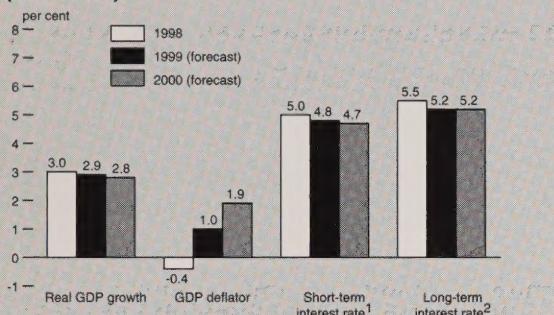
A Publication of the Department of Finance

July 1999

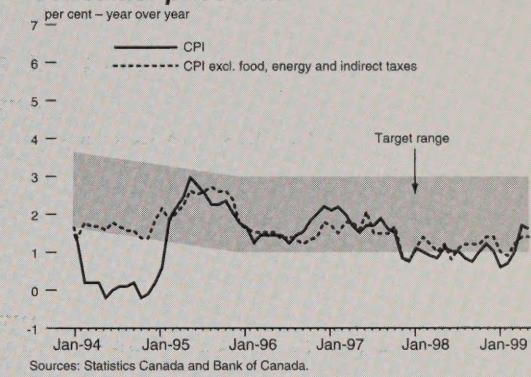
Canadian Economy

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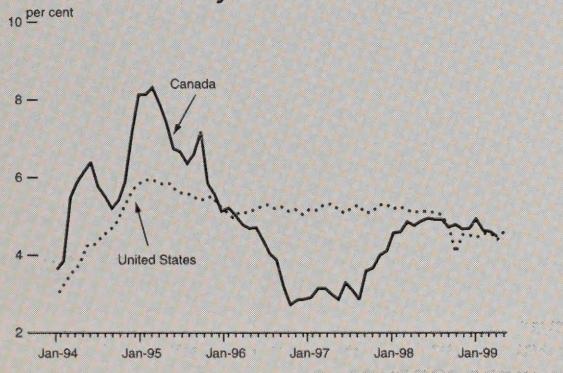
OECD economic forecast for Canada (June 1999)



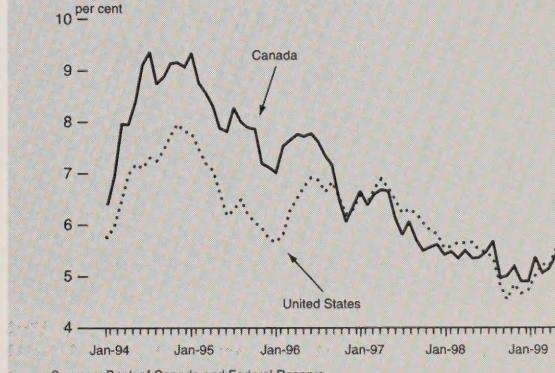
Consumer price index



3-month Treasury bill rates



10-year government bond rates



Upcoming economic data releases of interest

July

June Labour Force Survey
(July 9)

June CPI
(July 16)

August

July Labour Force Survey
(August 6)

July CPI
(August 18)

1999 Q2 National Accounts
(August 31)

September

August Labour Force Survey
(September 10)

August CPI
(September 17)

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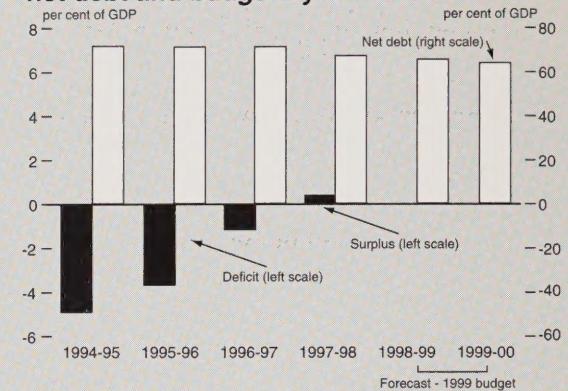
Canadian Economy

Selected Canadian economic statistics

	1998		1999	
	1997	1998	Q3	Q1
Annualized growth rates				
Real gross domestic product		4.0	3.1	2.6
GDP excluding inventories		3.2	3.6	7.4
Final domestic demand		4.9	2.7	0.5
Employment growth		1.9	2.8	1.9
			4.8	4.2
			1.4	4.4
			5.1	3.7
Other				
Unemployment rate		9.2	8.3	8.3
Current account balance (per cent of GDP)		-1.6	-1.8	-1.7
			-1.8	-0.6

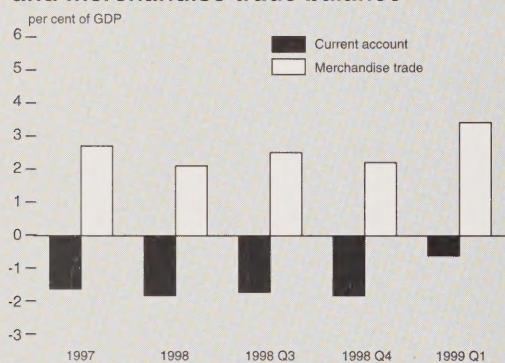
Source: Statistics Canada.

Government of Canada net debt and budgetary balance

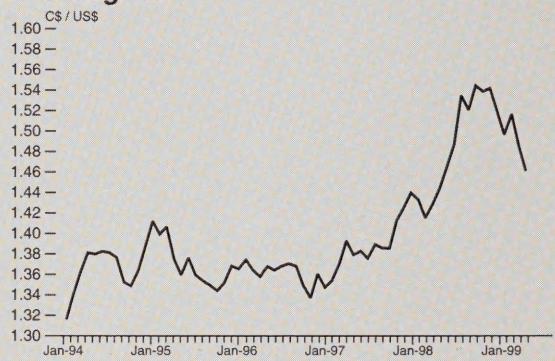


Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Exchange rate



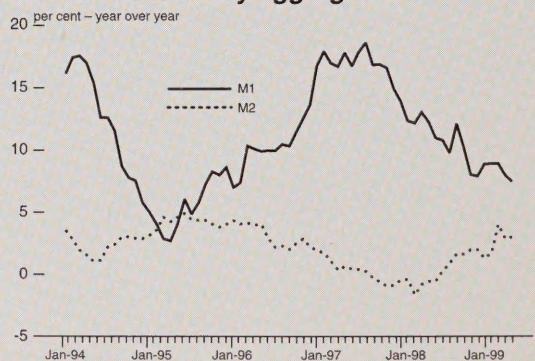
Source: Bank of Canada Review.

Monetary conditions index



Source: Bank of Canada.

Canadian monetary aggregates

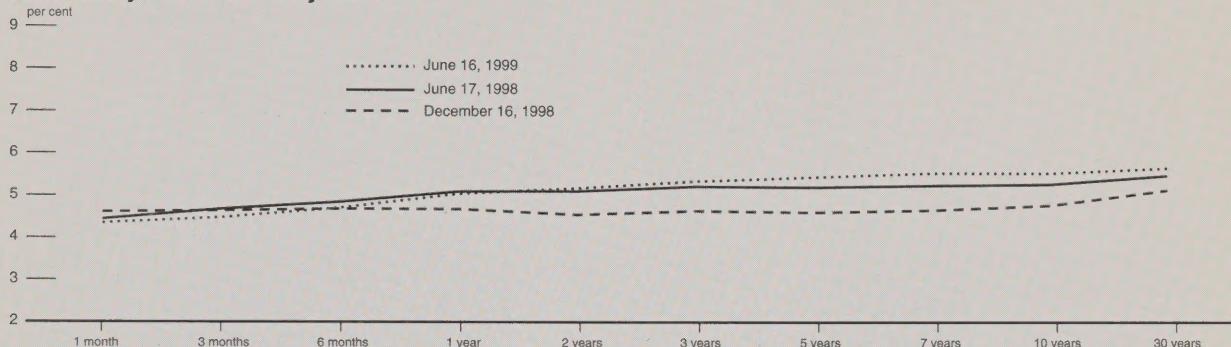


Source: Bank of Canada Review.

Government of Canada Securities

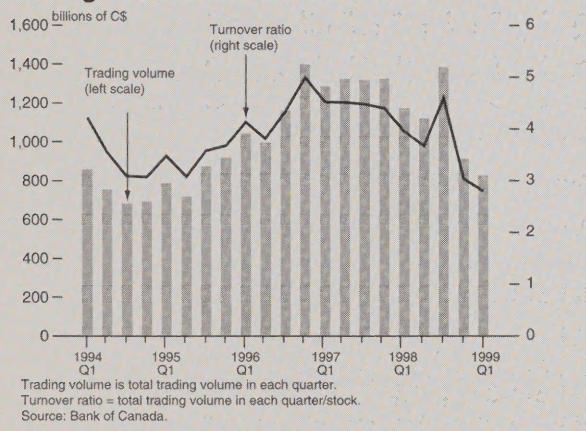
Secondary Market

Canadian yield-to-maturity curve



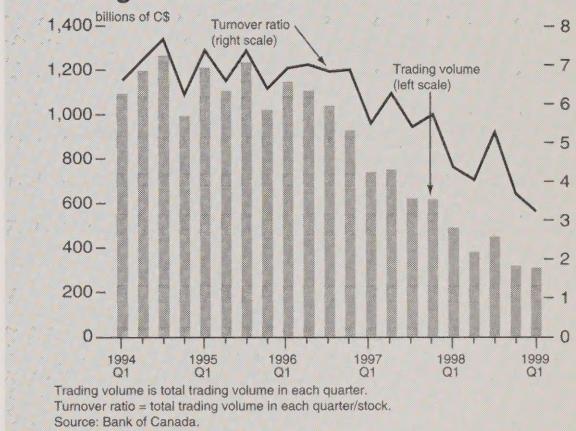
Source: Bank of Canada Review.

Government of Canada bonds trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bills trading volume and turnover ratio



Trading volume is total trading volume in each quarter.
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Source: Bank of Canada.

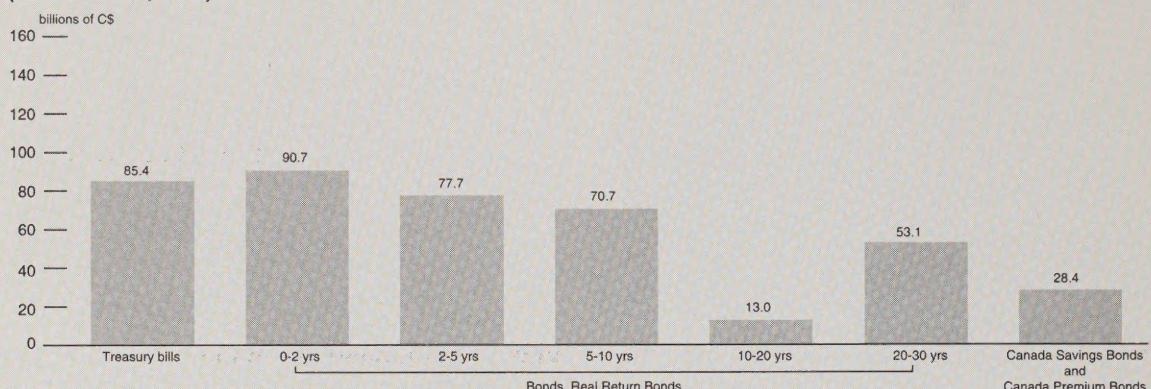
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Government of Canada Securities

Primary Market

Outstanding Government of Canada Treasury bills, bonds (by term maturity) and retail debt (as of June 17, 1999)



Source: Department of Finance.

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage	Tail ¹
	(years)		(%)	(millions of dollars)		(%)		(basis points)
June 9, 1999	2	Dec. 1, 2001	5.25	3,500	99.509	5.467	2.42	0.7
June 2, 1999	30	Dec. 1, 2031	4*	300	98.567	4.08	3.57	n.a.
May 26, 1999	5	Sept. 1, 2004	5	2,750	98.117	5.415	2.36	0.5
May 12, 1999	10	June 1, 2009	5.5	2,500	101.322	5.328	2.47	0.6
Apr. 28, 1999	30	June 1, 2029	5.75	1,800	105.773	5.361	2.65	0.4

¹ Tail is defined as the high accepted yield minus the average yield.

* Real Return Bonds

Source: Department of Finance.

Forthcoming Government of Canada bond auctions

Type of issue	Auction date (1999)	Further details of issue (1999)	Dated and delivered (1999)	Amount maturing
(millions of dollars)				
10-year auction	July 28	July 22	Aug. 3	—
5-year auction	Aug. 11	Aug. 5	Aug. 16	—
RRB auction ¹	Sept. 1	Aug. 26	Sept. 7	0
2-year auction	Sept. 8	Sept. 2	Sept. 15	7,000

¹ Single-price auction format

Note: One repurchase operation of Government of Canada bonds is planned under the pilot bond repurchase program in the 10-year sector.

Further details will be released on July 22, 1999.

Government of Canada Securities

Primary Market

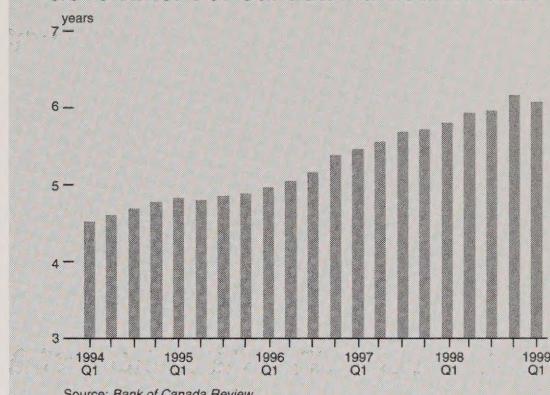
Government of Canada bond market benchmarks (June 22, 1999)

Term	Maturity	Coupon	Amount outstanding (millions of dollars)	Yield June 22/99
		(%)		(%)
Fixed coupon				
2-year	June 1, 2001	4.50	7,000	5.24
5-year	Sept. 1, 2003	5.25	9,700	5.49
10-year	June 1, 2008	6.00	9,200	5.59
30-year	June 1, 2027	8.00	9,600	5.71
Real return				
30-year	Dec. 1, 2026	4.25	5,250	4.05

The normal bid-ask spread on these bonds is 5 cents.

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Forthcoming Government of Canada marketable bond maturities

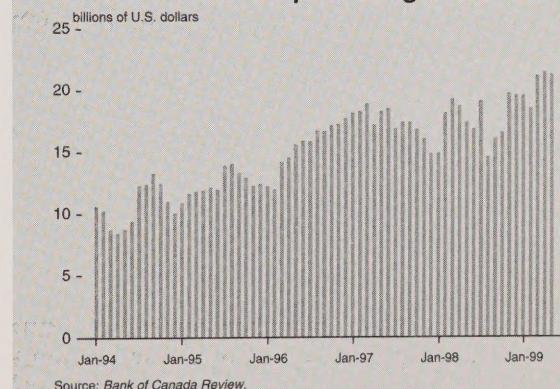
July-September 1999	October-December 1999	January-March 2000	April-June 2000
(millions of dollars)			
21,100	3,752.5	20,050	1,575

Outstanding Government of Canada foreign-currency debt (as of May 31, 1999)

	(US\$ millions)
Canada bills	5,351
Canada notes	831
Outstanding under EMTN program	3,329
6 1/2% US\$ bonds maturing May 30, 2000	1,500
6 1/2% US\$ bonds maturing May 30, 2001	1,000
6 1/2% US\$ bonds maturing July 15, 2002	1,000
5 1/2% US\$ bonds maturing Feb. 19, 2003	2,000
6 1/2% US\$ bonds maturing July 21, 2005	1,500
6 1/2% US\$ bonds maturing Aug. 28, 2006	1,000
6 1/2% NZ\$ bonds maturing Oct. 3, 2007	319
4 1/2% DM bonds maturing July 7, 2008	2,200
5 1/2% US\$ bonds maturing Nov. 5, 2008	2,500

Source: Department of Finance.

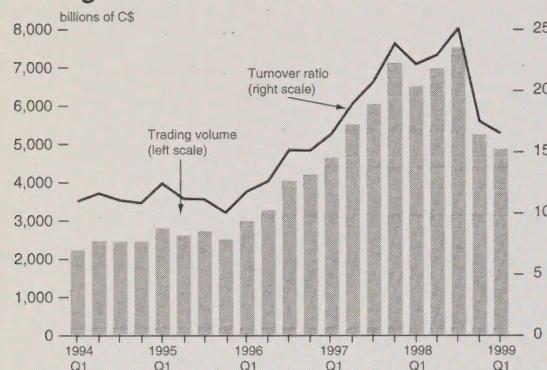
Canada's level of liquid foreign reserves



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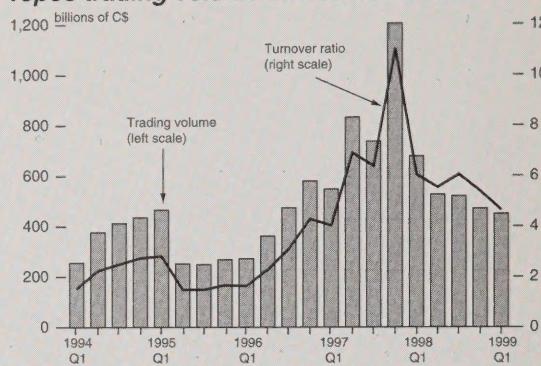
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



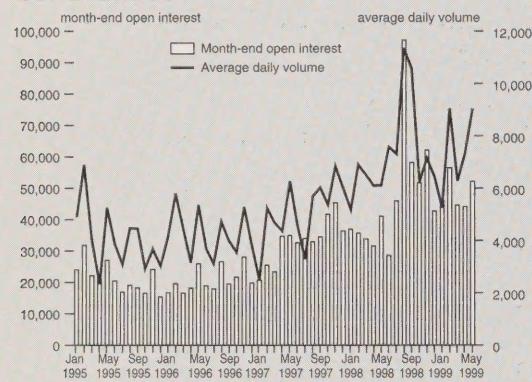
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada Treasury bill repos trading volume and turnover ratio



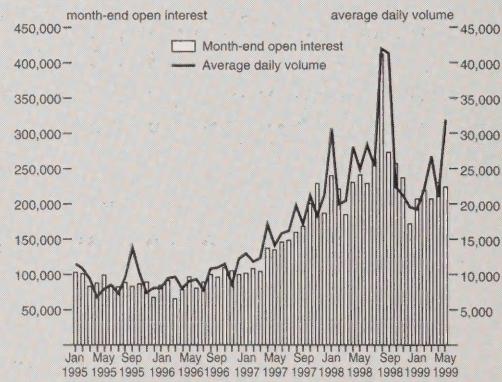
Trading volume is total trading volume in each quarter.
Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Canadian Bond Rating Service Current	Dominion Bond Rating Service Current
<i>Domestic Debt</i>	AAA	Aa1	AA+	AAA
– Trend	Stable	–	Stable	Stable
<i>Foreign Debt</i>	AA+	Aa2	AA+	AA(high)
– Trend	Stable	–	Stable	Stable

This publication is also available on the Internet at <http://www.fin.gc.ca/>
Except as noted, the information in *Government of Canada Securities* is based upon data available as of June 21, 1999.

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